

**Headland Capital, LLC**

**FORM ADV PART 2A**

**BROCHURE**

**Item 1 – Cover Page**

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This brochure provides information about the qualifications and business practices of Headland Capital, LLC. If you have any questions regarding the contents of this brochure, please do not hesitate to contact our Chief Compliance Officer, Sonia Goforth by telephone at 502-540-2300 or by email at [sonia.goforth@dinsmorecomplianceservices.com](mailto:sonia.goforth@dinsmorecomplianceservices.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Headland Capital, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Headland Capital, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

July 2, 2025

## **Item 2 – Material Changes**

Form ADV Part 2A requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Updates to the following:

### **Item 4 – Advisory Business**

#### **Section B – Types of Advisory Services – Investment Advisory Services**

Added section on outside money management

Updated discretionary asset numbers

### **Item 5 – Fees & Compensation**

#### **Section A – Financial Planning & Investment Advisory Services**

Added information regarding working with outside attorneys

#### **Section C. Fees Charged by Financial Institutions and External Money Managers**

Added information around fees fro outside money management

### **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss**

#### **Section B. Material Risks Involved**

Added information on the use of external money managers

### **Item 10 – Other Financil Industry Activities and Affiliation**

Added information on the recommendation of external money managers

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## **Item 4 - Advisory Business**

### **A. Description of the Advisory Firm**

Headland Capital, LLC (“Headland Capital” or the “Firm”) is a limited liability company organized in the State of Wyoming. Headland Capital is an investment advisory firm registered with the United States Securities and Exchange Commission (“SEC”). Headland Capital is owned by Tyler Corn, Eric Cox and David Upchurch.

### **B. Types of Advisory Services**

Headland Capital provides personalized financial planning and discretionary and non-discretionary investment advisory services to individuals, including high net worth individuals, and entities, including, but not limited to, family offices, trusts, estates, private foundations, corporate entities, donor advised funds and qualified retirement plans.

#### Investment Management Services

Headland Capital offers investment management services on a discretionary basis and non-discretionary basis. All investment advice provided is customized to each client’s investment objectives and financial needs. The information provided by the client, together with any other information relating to the client’s overall financial circumstances, will be used by Headland Capital to determine the appropriate portfolio asset allocation and investment strategy for the client. Financial planning services also are provided, depending on the needs of the client. Headland Capital provides investment management services to clients through a wrap fee program (the “Headland Capital Wrap Fee Program”). See Headland Capital’s Form ADV Part 2A, Appendix 1 for additional information regarding the Headland Capital Wrap Fee Program.

The securities utilized by Headland Capital for investment in Headland Capital Wrap Fee Program client accounts mainly consist of registered mutual funds and exchange traded funds (ETFs), but we will also invest in equity securities, corporate bonds, federal, state and local bonds, REITS, variable annuities, private funds/alternative investments, closed end funds and structured notes, if we determine such investments fit within a client’s objectives and are in the best interest of our clients.

Headland Capital may further recommend to clients that all or a portion of their investment portfolio be managed on a discretionary basis by one or more unaffiliated money managers or investment platforms (“External Managers”). The client may be required to enter into a separate agreement with the External Manager(s), which will set forth the terms and conditions of the client’s engagement of the External Manager. Headland Capital generally renders services to the client relative to the discretionary selection of External Managers. Headland Capital also assists in establishing the client’s investment objectives for the assets managed by External Managers, monitors and reviews the account performance and defines any restrictions on the account. The investment management fees charged by the designated External Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, are exclusive of, and in addition to, the annual advisory fee charged by Headland Capital.

#### Financial Planning and Consulting Services

Headland Capital offers personal comprehensive financial planning services to set forth goals, objectives and implementation strategies for the client over the long-term. Depending upon individual client requirements, the comprehensive financial plan will include recommendations for retirement planning, educational planning, estate planning, cash flow planning, long term health care planning, tax planning and insurance needs and analysis. Headland Capital prepares and provides the financial planning client with a written comprehensive financial plan and performs periodic reviews of the plan with the client, as agreed upon with the client. In addition, Headland Capital provides financial planning services that are completed upon the delivery of the financial plan to the client. Clients should notify us promptly anytime there is a change in their financial situation, goals, objectives, or needs and/or if there is any change to the financial information initially provided to us.

Clients are under no obligation to implement any of the recommendations provided in their written financial plan. However, should a client decide to proceed with the implementation of the investment recommendations then the client can either have Headland Capital implement those recommendations or utilize the services of any investment adviser or broker-dealer of their choice.

Headland Capital cannot provide any guarantees or promises that a client's financial goals and objectives will be met.

#### Investment Management Services to Retirement Plans

Headland Capital offers discretionary and non-discretionary advisory services to qualified plans, including 401k plans. These services include, depending upon the needs of the plan client, recommending, or for discretionary clients selecting, investment options for plans to offer to participants, ongoing monitoring of a plan's investment options, assisting plan fiduciaries in creating and/or updating the plan's written investment policy statements, working with plan service providers, and providing general investment education to plan participants.

**Note for IRA and Retirement Plan Clients:** When Headland Capital provides investment advice to you regarding your retirement plan account or individual retirement account, Headland Capital is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way Headland Capital makes money creates some conflicts with your interests, so Headland Capital operates under a special rule that requires Headland Capital to act in your best interest and not put Headland Capital's interest ahead of yours.

**Note Regarding Tax or Legal Advice:** In providing services, Headland Capital does not offer or otherwise provide tax or legal advice. Headland Capital will, at a client's direction and approval, work with a client's existing tax or legal professionals to assist in the provision of the services. Fees charged by any tax, legal or other third-party professionals are the responsibility of the client. Headland Capital may refer professionals; however, there is no compensation to Headland Capital for these referrals, and clients are under no obligation to use the referred service providers.

#### **C. Client-Tailored Advisory Services**

Clients may impose reasonable restrictions on the management of their accounts if Headland Capital determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Headland Capital's management efforts.

## **D. Information Received From Clients**

Headland Capital will not assume any responsibility for the accuracy or the information provided by clients. Headland Capital is not obligated to verify any information received from a client or other professionals (e.g., attorney, accountant) designated by a client, and Headland Capital is expressly authorized by the client to rely on such information provided. Under all circumstances, clients are responsible for promptly notifying Headland Capital in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance.

## **E. Assets Under Management**

As of March 4, 2025, Headland Capital had \$403,025,117 in assets under management on a discretionary basis,.

## **Item 5 - Fees and Compensation**

Headland Capital charges fees based on a percentage of assets under management as well as fixed fees and hourly fees, depending on the particular types of services to be provided. The specific fees charged by Headland Capital for services provided will be set forth in each client's agreement.

### **A. Financial Planning and Investment Management Services**

#### Fees for Investment Management Services

In providing investment management services pursuant to the Headland Capital Wrap Fee Program, Headland Capital charges an annual advisory fee (payable quarterly) that is agreed upon with each client and set forth in an agreement executed by Headland Capital and the client. Our maximum investment management fee schedule for the Headland Capital Wrap Fee Program is below:

<b>MAXIMUM FEE SCHEDULE</b>	
<b><u>Market Value of Assets</u></b>	<b><u>Rate</u></b>
\$0 up to \$1,000,000	1.75%
\$1,000,001 to \$1,500,000	1.50%
Above \$1,500,000	negotiable
The percentage for the highest range of Managed Asset value achieved applies to all Managed Assets, not just Managed Assets within that range.	

Ongoing Headland Capital Wrap Fee Program investment management fees are paid quarterly in advance based on the value of clients' billable assets under management at the end of the last day of the preceding quarter as provided by third-party sources, such as pricing services, custodians and fund administrators. The Headland Capital Wrap Fee Program investment management fee for the initial quarter shall be paid, on a pro rata basis, in arrears, based on the value of the net billable assets under management at the end of such initial quarter. For purposes of fee calculation, the asset value of Headland Capital Wrap Fee Program

client accounts includes cash and cash equivalents, as well as margined securities. Headland Capital does not reduce management fees for margin borrowing, regardless of whether the assets are in cash or other securities. Headland Capital has a financial incentive to recommend that clients borrow money for the purchase of additional securities for the client's Headland Capital Wrap Fee Program account or otherwise not liquidate some or all the assets Headland Capital manages. Headland Capital addresses this conflict of interest by this disclosure and working to ensure that any recommendation to a client regarding the use of margin is suitable for the client.

Headland Capital generally includes all related Headland Capital Wrap Fee Program client accounts, specifically the accounts of direct family members sharing the same residence address, for purposes of determining a client's market value of assets.

#### Fees for Financial Planning and Consulting Services

Clients that are receiving financial planning services are charged a fixed fee ranging from \$1,500 to \$40,000, depending upon the complexity of a client's plan and services provided. In the alternative clients that are receiving financial planning services only may be charged an hourly fee rate up to \$350. For clients receiving ongoing financial planning services the annual fee is charged quarterly, or otherwise pursuant to a schedule as agreed to by the client and Headland Capital. For financial planning services that are completed upon the delivery of the financial plan to the client, the fee can be charged in advance, upon delivery of the completed financial plan or otherwise pursuant to quarterly installments. If charged in advance, the completed financial plan will be delivered to client in less than six months from the date of the advance payment. Actual fees charged are clearly outlined in the financial planning agreement and clients receive invoices reflecting the amount of the fee due and payable.

#### Fees for Investment Management Services to Retirement Plans

Retirement plan advisory clients will be charged an annual asset-based fee of up to 0.75% and are billed in advance, pursuant to the terms of the retirement plan advisory agreement. Retirement plan fees are based on the market value of assets under management at the end of the prior calendar quarter. Fees may be negotiable depending on the size and complexity of the plan.

Notwithstanding the foregoing, Headland Capital and the client may choose to negotiate an annual advisory fee that varies from the schedule and ranges set forth above. Factors upon which a different annual advisory fee may be based include, but are not limited to, the size and nature of the relationship, the services rendered, the nature and complexity of the products and investments involved, time commitments, and travel requirements. The Headland Capital Wrap Fee Program advisory fee charged by the Firm will apply to all of the client's assets under management, unless specifically excluded in the client agreement. The Headland Capital Wrap Fee Program advisory fee may include the financial planning services described above. Although Headland Capital believes that its fees are competitive, clients should understand that lower fees for services may be available from other sources and firms.

The investment advisory agreement between Headland Capital and the client may be terminated at will by either Headland Capital or the client upon written notice. Headland Capital does not impose termination fees when the client terminates the investment advisory relationship, except when agreed upon in advance.



Working with outside attorneys

From time to time Headland Capital will work with external, unaffiliated attorneys in order to help facilitate the preparation of estate plans, trust creations, or other legal matters. In certain instances, the attorneys may compensate Headland Capital for their time and consultation. This compensation is entirely at the discretion of the attorney providing the legal services. There is a conflict of interest in that Headland Capital has potential incentive to recommend attorneys who may provide this compensation, however, Headland Capital always takes its fiduciary obligation seriously and will only recommend attorneys they feel are in the best interest of the client and who will provide the right services based on the client's needs.

**B. Payment of Fees**

Headland Capital generally deducts its advisory fee from a client's investment account(s) held at his/her custodian. Upon engaging Headland Capital to manage such account(s), a client grants Headland Capital this limited authority through a written instruction to the custodian of his/her account(s). The client is responsible for verifying the accuracy of the calculation of the advisory fee; the custodian will not determine whether the fee is accurate or properly calculated. A client may utilize the same procedure for financial planning or consulting fees if the client has investment accounts held at a custodian.

Although clients generally are required to have their investment advisory fees deducted from their accounts, in some cases, Headland Capital will directly bill a client for investment advisory fees if it determines that such billing arrangement is appropriate given the circumstances.

The custodian of the client's accounts provides each client with a statement, at least quarterly, indicating separate line items for all amounts disbursed from the client's account(s), including any fees paid directly to Headland Capital.

Clients may make additions to and withdrawals from their account at any time, subject to Headland Capital's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets at any time on notice to Headland Capital, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Headland Capital may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g. contingent deferred sales charges) and/or tax ramifications.

**C. Fees Charged by Financial Institutions and External Money Managers**

The Headland Capital Wrap Fee Program fee covers Headland Capital's advisory services, custody and commissions for securities transactions effected through LPL. The number of transactions made in clients' accounts, the size of the accounts, and the securities used to construct a portfolio, as well as the commissions charged for each transaction, determines the relative cost of the Headland Capital Wrap Fee Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Participants in the Headland Capital Wrap Fee Program may pay a higher or lower aggregate fee than if the investment

management and brokerage services are purchased separately. Headland Capital does not charge its clients higher advisory fees based on their trading activity, but clients should be aware that Headland Capital may have an incentive to limit its trading activities in client accounts because Headland Capital is charged for executed trades. Headland Capital addresses this conflict of interest by this disclosure and by its policies and procedures which work to ensure that accounts are managed in accordance with clients' goals and objectives without consideration of trading costs incurred by Headland Capital. Transaction fees or "trade away" fees imposed for trades placed away from LPL, are not covered by the Headland Capital Wrap Program Fee. Refer to Headland Capital's Form ADV Part 2A, Appendix 1 for additional information.

In connection with Headland Capital's management of an account, a client will incur fees and/or expenses separate from and in addition to Headland Capital's advisory fee. These additional fees may include transaction charges and the fees/expenses charged by any custodian, subadvisor, mutual fund, ETF, separate account manager (and the manager's platform manager, if any), limited partnership, or other advisor, transfer taxes, odd lot differentials, exchange fees, interest charges, ADR processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law, retirement plan account fees (where applicable), margin interest, brokerage commissions, mark-ups or mark-downs and other transaction-related costs, electronic fund and wire fees, and any other fees that reasonably may be borne by a brokerage account. For External Managers, clients should review each manager's Form ADV 2A disclosure brochure and any contract they sign with the External Manager (in a dual contract relationship). The client is responsible for all such fees and expenses. Please see Item 12 of this brochure regarding brokerage practices.

#### **D. Prepayment of Fees**

As noted in Item 5(B) above, Headland Capital's advisory fees generally are paid in advance. Upon the termination of a client's advisory relationship, Headland Capital will issue a refund equal to any unearned management fee for the remainder of the quarter. The client may specify how he/she would like such refund issued (i.e., a check sent directly to the client or a check sent to the client's custodian for deposit into his/her account).

#### **E. Outside Compensation for the Sale of Securities or Other Investment Products to Clients**

Headland Capital does not buy or sell securities and does not receive any compensation for securities transactions in any client account, other than the investment advisory fees noted above. However, as further described in Item 10, certain personnel of Headland Capital, in their individual capacities, are registered representatives of LPL Financial LLC, a FINRA and SIPC member, and registered broker/dealer. In addition, representatives of Headland Capital, in their individual capacities, are also are licensed as insurance professionals. Such persons earn commission-based compensation for selling insurance products to clients.

#### **Item 6 - Performance-Based Fees and Side-by-Side Management**

Headland Capital does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's

account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Headland Capital's fees are calculated as described in Item 5 above.

### **Item 7 - Types of Clients**

Headland Capital offers investment advisory services to individuals, including high net worth individuals, and entities, including, but not limited to, family offices, trusts, estates, private foundations, corporate entities, donor advised funds and qualified retirement plans. Headland Capital does not impose a minimum portfolio size or initial investment to open a Headland Capital Wrap Fee Program Account. Headland Capital does impose a minimum fee of \$1,500 for financial planning services. However, Headland Capital does reserve the right to accept or decline a potential client for any reason in its sole discretion.

### **Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**

#### **A. Methods of Analysis and Risk of Loss**

A primary step in Headland Capital's investment strategy is getting to know the clients – to understand their financial condition, risk profile, investment goals, tax situation, liquidity constraints – and assemble a complete picture of their financial situation. To aid in this understanding, Headland Capital offers clients financial planning that is highly customized and tailored. This comprehensive approach is integral to the way that Headland Capital does business. Once Headland Capital has a true understanding of its clients' needs and goals, the investment process can begin, and the Firm can recommend strategies and investments that it believes are aligned with the client's goals and risk profile.

Headland Capital primarily employs fundamental analysis methods in developing investment strategies for its clients. Research and analysis from Headland Capital is based on numerous sources, including third-party research materials and publicly-available materials, such as company annual reports, prospectuses, and press releases.

Headland Capital generally employs a long-term investment strategy for its clients, as consistent with their financial goals. At times, the Firm may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals of the security, sector or asset class.

Client portfolios with similar investment objectives and asset allocation goals may own different securities and investments. The client's portfolio size, tax sensitivity, desire for simplicity, income needs, long-term wealth transfer objectives, time horizon and choice of custodian are all factors that influence Headland Capital's investment recommendations.

Investing in securities involves a risk of loss. A client can lose all or a substantial portion of his/her investment. A client should be willing to bear such a loss. Some investments are intended only for sophisticated investors and can involve a high degree of risk.

## B. Material Risks Involved

Investing in securities involves a significant risk of loss which clients should be prepared to bear. Headland Capital's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions will not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of equity stocks will fluctuate with market conditions, and small-stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. In addition, there is no assurance that a mutual fund or ETF will achieve its investment objective. Past performance of investments is no guarantee of future results.

Additional risks involved in the securities recommended by Headland Capital include, among others:

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security will decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- *Non-diversification risk*, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- *Value investing risk*, which is the risk that value stocks not increase in price, not issue the anticipated stock dividends, or decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks, but may lag behind growth stocks in an up market.

- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company will go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.
- *Interest rate risk*, which is the chance that prices of fixed income securities decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- *Credit risk*, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by Headland Capital may not produce the desired results and that legislative, regulatory, or tax developments, affect the investment techniques available to Headland Capital. There is no guarantee that a client's investment objectives will be achieved.
- *Real Estate risk*, which is the risk that an investor's investments in Real Estate Investment Trusts ("REITs") or real estate-linked derivative instruments will subject the investor to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. An investment in REITs or real estate-linked derivative instruments subject the investor to management and tax risks.
- *Investment Companies ("Mutual Funds") risk*, when an investor invests in mutual funds, the investor will bear additional expenses based on his/her pro rata share of the mutual fund's operating expenses, including the management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying investments the mutual fund holds.
- *Cybersecurity risk*, which is the risk related to unauthorized access to the systems and networks of Headland Capital and its service providers. The computer systems, networks and devices used by Headland Capital and service providers to us and our clients to carry out routine business

operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or other compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issues of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by those entities in order to prevent any cybersecurity breaches in the future.

- *Alternative Investments / Private Funds risk*, investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:
  - loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
  - lack of liquidity in that there may be no secondary market for the investment and none expected to develop;
  - volatility of returns;
  - restrictions on transferring interests in the investment;
  - potential lack of diversification and resulting higher risk due to concentration of trading authority when a single adviser is utilized;
  - absence of information regarding valuations and pricing;
  - delays in tax reporting;
  - less regulation and higher fees than mutual funds;
  - risks associated with the operations, personnel, and processes of the manager of the funds investing in alternative investments.
- *Closed-End Funds risk*, Closed-end funds typically use a high degree of leverage. They may be diversified or non-diversified. Risks associated with closed-end fund investments include liquidity risk, credit risk, volatility and the risk of magnified losses resulting from the use of leverage. Additionally, closed-end funds may trade below their net asset value.
- *Structured Notes risk* -
  - *Complexity*. Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance



of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with Headland Capital.

- *Market risk.* Some structured notes provide for the repayment of principal at maturity, which is often referred to as “principal protection.” This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
- *Issuance price and note value.* The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer’s estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.
- *Liquidity.* The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution’s broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.
- *Credit risk.* Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

There also are risks surrounding various insurance products that are recommended to Headland Capital clients from time to time. Such risks include, but are not limited to loss of premiums. Prior to purchasing any insurance product, clients should carefully read the policy and applicable disclosure documents.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. Headland Capital does

not guarantee the future performance of a client's portfolio, as investing in securities involves the risk of loss that clients should be prepared to bear.

Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss.

### **Use of External Managers**

Headland Capital may select certain External Managers to manage a portion of its clients' assets. In these situations, the success of such recommendations relies to a great extent on the External Managers' ability to successfully implement their investment strategies. In addition, Headland Capital generally may not have the ability to supervise the External Managers on a day-to-day basis.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the adviser and the integrity of the adviser's management. Headland Capital has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### Insurance Agent Activities

As mentioned above in Item 5, advisory persons of Headland Capital are licensed as insurance professionals. Such persons earn commission-based compensation for selling insurance products to clients. Insurance commissions earned by advisory persons who are insurance professionals are separate from and in addition to Headland Capital's advisory fee. This practice presents a conflict of interest as an advisory person who is an insurance professional has an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on client needs. Headland Capital addresses this conflict through disclosure and strives to make recommendations which are in the best interests of its clients. Clients are under no obligation to purchase insurance products through any person affiliated with Headland Capital. Headland Capital clients should understand that lower fees and/or commissions for comparable services may be available from other insurance providers.

### Registered Representative Activities

As mentioned above in Item 5, certain representatives of Headland Capital are also registered representatives with LPL Financial LLC, a FINRA and SIPC member and registered broker-dealer. In this capacity, such representatives of Headland Capital offer securities or alternative investments and receive normal and customary fees or commissions as a result of these transactions. In addition, these individuals receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. As a result of this relationship, LPL Financial LLC has access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients, even if a client does not establish an account through LPL Financial LLC. If you would like a copy of the LPL Financial LLC privacy policy, please contact Headland Capital as described on the cover page of this brochure.



Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. Headland Capital and LPL Financial LLC are separate, nonaffiliated entities. Nevertheless, to the extent that a Headland Capital representative recommends the purchase of securities or other investment products where the representative receives commissions for doing so, a conflict of interest exists because the representative is incentivized to make recommendations based on the compensation received rather than on a client's needs. Headland Capital has adopted certain procedures designed to mitigate the effects of this conflict. As part of Headland Capital's fiduciary duty to clients, Headland Capital and its representatives endeavor at all times to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of clients. Additionally, the conflicts presented by this relationship are disclosed to clients through this brochure, client agreement and/or verbally prior to or at the time of entering into an Agreement. Clients are not obligated to implement recommended transactions through any Headland Capital representative or any particular broker-dealer. Clients have the option to purchase any recommended investment through broker-dealers other than LPL Financial LLC.

Headland Capital clients should understand that lower fees and/or commissions for comparable services may be available from other broker-dealers.

#### Recommendation of External Managers

Headland Capital may recommend that clients use External Managers based on clients' needs and suitability. Headland Capital does not receive separate compensation, directly or indirectly, from such External Managers for recommending that clients use their services. Headland Capital does not have any other business relationships with the recommended External Managers.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions**

#### **A. Description of Code of Ethics**

Headland Capital has a Code of Ethics (the "Code") which requires Headland Capital's employees ("supervised persons") to comply with their legal obligations and fulfill the fiduciary duties owed to the Firm's clients. Among other things, the Code of Ethics sets forth policies and procedures related to conflicts of interest, outside business activities, gifts and entertainment, compliance with insider trading laws and policies and procedures governing personal securities trading by supervised persons.

Personal securities transactions of supervised persons present potential conflicts of interest with the price obtained in client securities transactions or the investment opportunity available to clients. The Code addresses these potential conflicts by prohibiting securities trades that would breach a fiduciary duty to a client and requiring, with certain exceptions, supervised persons to report their personal securities holdings and transactions to Headland Capital for review by the Firm's Chief Compliance Officer. The Code also requires supervised persons to obtain pre-approval of certain investments, including initial public offerings and limited offerings.

Headland Capital will provide a copy of the Code of Ethics to any client or prospective client upon request.

## **Item 12 – Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker-Dealers**

Headland Capital participates in the LPL Strategic Wealth Management Custodial Platform II (“LPL”) program. Headland Capital will recommend that Headland Capital Wrap Fee Program clients establish brokerage accounts with LPL to maintain custody of clients’ assets and to effect trades for their accounts.

In recommending LPL, Headland Capital will consider a number of judgmental factors, including, without limitation: 1) clearance and settlement capabilities; 2) quality of confirmations and account statements; 3) the ability of LPL to settle the trade promptly and accurately; 4) the financial standing, reputation and integrity of LPL; 5) LPL’s access to markets, research capabilities, market knowledge, and any “value added” characteristics; 6) Headland Capital’s past experience with LPL; and 7) Headland Capital’s past experience with similar trades.

While there is no direct link between the investment advice Headland Capital provides and participation in the LPL program, Headland Capital management receives certain economic benefits from the LPL program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of Headland Capital’s fees from its clients’ accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of Headland Capital’s accounts, including accounts not held at LPL. LPL may also make available to Headland Capital other services intended to help Headland Capital manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, LPL may make available, arrange and/or pay for these types of services to be rendered to Headland Capital by independent third parties. LPL may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to Headland Capital, and/or LPL may pay for travel expenses relating to participation in such training. Finally, participation in the LPL program provides Headland Capital with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the LPL program do not necessarily depend upon the proportion of transactions directed to LPL. The benefits are received by Headland Capital, in part because of commission revenue generated for LPL by Headland Capital’s clients. This means that the investment activity in client accounts is beneficial to Headland Capital, because LPL does not assess a fee to Headland Capital for these services. This creates an incentive for Headland Capital to continue to recommend LPL to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, Headland Capital believes that LPL provides an excellent combination of these services. These services are not soft dollar arrangements, but are part of the institutional platform offered by LPL.

Brokerage for Client Referrals

Headland Capital does not select or recommend BD/Custodians based solely on whether or not it may receive client referrals from a BD/Custodian or third party.

Client Directed Brokerage

Generally, for Headland Capital Wrap Fee Program clients the Firm does not accept instructions to custody a client account at a specific broker-dealer other than LPL and/or direct some or all of his/her brokerage transactions to a specific broker-dealer other than LPL. In such instances a client would be disadvantaged because the Headland Capital Wrap Fee Program fee does cover the cost of trades executed away from LPL.

Trade Errors

Headland Capital's goal is to execute trades seamlessly and in the best interests of the client. In the event a trade error occurs, Headland Capital endeavors to identify the error in a timely manner, correct the error so that the client's account is in the position it would have been had the error not occurred, and, after evaluating the error, assess what action(s) might be necessary to prevent a recurrence of similar errors in the future.

Trade errors generally are corrected through the use of a "trade error" account or similar account at LPL. In the event an error is made in a client account custodied elsewhere, Headland Capital works directly with LPL to take corrective action. In all cases, Headland Capital will take the appropriate measures to return the client's account to its intended position.

**B. Trade Aggregation**

To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's supervised persons may invest, the Firm will generally do so in a fair equitable manner in accordance with applicable rules promulgated under the Advisers Act and guidance provided by the staff of the SEC and consistent with policies and procedures established by the Firm.

**Item 13 – Review of Accounts****A. Periodic Reviews**Investment Management Account Reviews

While Headland Capital Wrap Fee Program accounts are monitored on an ongoing basis, Headland Capital's investment adviser representatives seek to have at least one annual meeting with each client to conduct a formal review of the clients' accounts. For smaller asset size client accounts and/or clients with less complicated financial situations annual reviews may be done through various electronic or other means. Accounts are reviewed for consistency with the investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made.

Financial Planning and Consulting Services Account Reviews

Upon completion of the initial financial plan, ongoing annual review services are established, if provided for in the client agreement. Generally, we meet with our clients on an annual basis; however, more frequent

reviews are not uncommon. The nature of the annual review is to evaluate the client's progress from the previous year based on their goals and objectives. Headland Capital will collaborate with the client to update their financial information (i.e. insurance, investments, assets, income and expenses) and craft their yearly financial planning reports. Financial planning reports are written and may consist of a net worth statement, cash flow statement, estimated tax projections, education analysis, retirement analysis, insurance needs analysis, estate tax calculation, and an investment analysis. Reviews are conducted by an advisor of Headland Capital who is appropriately licensed to provide financial planning services. In addition, Headland Capital provides financial planning services that are completed upon the delivery of the financial plan to the client. In such situations, Headland Capital does not provide any ongoing reviews of the client's financial plan.

### **B. Other Reviews and Triggering Factors**

In addition to the periodic reviews described above, reviews may be triggered by changes in an account holder's personal, tax or financial status. Other events that may trigger a review of an account are material changes in market conditions as well as macroeconomic and company- specific events. Clients are encouraged to notify Headland Capital of any changes in his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

### **C. Regular Reports**

Written brokerage statements are generated no less than quarterly and are sent directly from LPL. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived.

Headland Capital may also determine to provide account statements and other reporting to clients on a periodic basis. Clients are urged to carefully review all custodial account statements and compare them to any statements and reports provided by Headland Capital. Headland Capital statements and reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 14 – Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Headland Capital does not receive benefits from third parties for providing investment advice to clients.

### **B. Compensation to Non-Supervised Persons for Client Referrals**

Headland Capital does not enter into agreements with individuals or organizations for the referral of clients.

## **Item 15 – Custody**

All clients must utilize a “qualified custodian” as detailed in Item 12. Clients are required to engage the custodian to retain their funds and securities and direct Headland Capital to utilize the custodian for the client’s securities transactions. Headland Capital’s agreement with clients and/or the clients’ separate agreements with the B/D Custodian may authorize Headland Capital through such BD/Custodian to debit the clients’ accounts for the amount of Headland Capital’s fee and to directly remit that fee to Headland Capital in accordance with applicable custody rules.

The BD/Custodian recommended by Headland Capital has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Headland Capital. Headland Capital encourages clients to review the official statements provided by the custodian, and to compare such statements with any reports or other statements received from Headland Capital. For more information about custodians and brokerage practices, see “Item 12 - Brokerage Practices.”

### **Item 16 – Investment Discretion**

Clients have the option of providing Headland Capital with investment discretion on their behalf, pursuant to a grant of a limited power of attorney contained in Headland Capital’s client agreement. By granting Headland Capital investment discretion, a client authorizes Headland Capital to direct securities transactions and determine which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Clients may impose reasonable limitations in the form of specific constraints on any of these areas of discretion with the consent and written acknowledgement of Headland Capital if Headland Capital determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Headland Capital. See also Item 4(C), Client-Tailored Advisory Services.

### **Item 17 – Voting Client Securities**

Headland Capital does not accept the authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in client portfolios.

### **Item 18 – Financial Information**

Headland Capital is not required to disclose any financial information pursuant to this item due to the following:

- a) Headland Capital does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of rendering services;
- b) Headland Capital is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts; and
- c) Headland Capital has never been the subject of a bankruptcy petition.

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